Asset Reconstruction Company (India) Limited

ARCIL reports Q1FY27 results, PAT doubles to Rs. 143 crore as recoveries up 151%. Recovery led quarter in a seasonally light acquisition period

Mumbai, Maharashtra, October 07, 2026:

Asset Reconstruction Company (India) Limited (NSE: ARCIL, BSE: 544921), India's first and largest private asset reconstruction company in India by AUM, Profitability and Market Share, focused on acquiring and resolving non-performing assets (NPAs) and stressed loans from banks and financial institutions announced its audited financial results for the quarter ended 30th June 2026. The financial numbers are based on Ind-AS.

Standalone Business Performance:

Particulars (INR Crore)	Q1FY27	Q1FY26	YoY	FY26	FY25	YoY
Total Assets Under Management	19,574	16,809	16%	20,150	16,853	20%
Acquisition	352.7	502.2	(30%)	5,958.8	3,975.9	50%
Recovery	1,066.0	425.0	151%	3,484.0	3,882.0	(10%)
Total Income	276.1	128.5	115%	749.5	617.8	21%
Profit After Tax	143.1	69.1	107%	407.8	355.3	15%

Commentary:

- AUM grew 16% YoY to Rs. 19,574 crore as of 30th June 2026 vs Rs. 16,809 crore a year ago.
- ARCIL's investment in AUM increased 25% YoY to Rs. 4,207 crore. Net owned funds stood at Rs. 2,792 crore against Rs. 2,598 crore a year ago.
- Acquisitions were Rs. 352.7 crore vs Rs. 502.2 crore in Q1 FY26 and ARCIL's investments were Rs. 142.9 crore vs Rs. 242.7 crore in Q1FY26. The business is linked to the lending cycle and the timing of stressed asset sales by lenders, with a significant portion of acquisitions and related investments typically occurring in second half/Q4 of the financial year.
- Recoveries rose 151% YoY to Rs. 1,066.0 crore. The cumulative SR redemption ratio improved to 52.5% as of June 2026 from 50.8% as of March 2026.
- Total income increased 115% YoY to Rs. 276.1 crore. Fees and other income more than doubled to Rs. 118.0 crore from Rs. 57.9 crore. Recovery of previously written-off SRs, unrealised fees and expenses contributed Rs. 120.1 crore and was a key contributor to the YoY performance.
- Profit before tax rose 106% YoY to Rs. 192.4 crore.
- Profit after tax rose 107% to Rs. 143.1 crore, delivering a PAT margin of about 52% of total income.
- Net worth stood at Rs. 3,222.3 crore and borrowings were Rs. 1,100.3 crore vs Rs. 1,205.5 crore in March 26, taking debt-to-equity to 0.34x.
- Annualised ROE and ROA were 18.2% and 12.8%, respectively.

Management Commentary:

Commenting on the Company's Performance, Mr. Phanindranath Kakarla, Managing Director & Chief Executive Officer of the Company said,

"Q1 FY27 has been an outstanding start to the year, setting a strong foundation for our journey as a listed company. Total income grew 115% year-on-year to Rs. 276.1 crore. Profit before tax more than doubled to Rs. 192.4 crore, while profit after tax rose 107% to Rs. 143.1 crore, translating into a PAT margin of about 52% of total income.

This performance was driven by a sharp pick-up in recoveries, which rose 151% to Rs. 1,066.0 crore from Rs. 425.0 crore in Q1 FY26. Fees and other income doubled to Rs. 118.0 crore. We also strengthened our balance sheet, with net worth rising to Rs. 3,222.3 crore and borrowings declining to Rs. 1,100.3 crore from Rs. 1,205.5 crore as of March 2026.

Our corporate book led the performance, with recoveries of Rs. 671.0 crore, more than three times the level recorded last year. Retail recoveries grew 88% to Rs. 351.0 crore, demonstrating the strength of the collections framework we have built for this segment. Recoveries from SME and other segments grew 47% to Rs. 44.0 crore. Our cumulative SR redemption ratio improved to 52.5% as of June 2026.

The operating environment for our industry remains constructive. India's retail credit market continues to deepen, while stress across lending segments is expected to rise. Recovery rates for ARCs have improved steadily, and regulatory initiatives such as SEBI's Special Situation Funds and the proposed RBI framework for the securitisation of stressed assets are expected to broaden the toolkit available for stress resolution. We believe ARCs are well positioned to remain one of the most effective channels for banks and financial institutions to resolve stressed assets.

As the largest private ARC in India by AUM and profitability, we will continue to grow our corporate book by focusing on creditworthy, mid-sized assets. We also intend to increase the share of retail and SME assets, expand our collection-as-a-service offering for banks, and explore opportunities in stressed assets from microfinance institutions.

We will continue to invest in technology and data analytics to improve recovery efficiency. With a robust acquisition pipeline and a growing capital base, we are confident in our ability to deliver sustained and profitable growth in the coming years.

Our listing on the NSE and BSE in September 2026 marks a defining milestone in our two-decade journey. It brings greater visibility, access to the capital markets and a wider shareholder base, while the continued backing of State Bank of India and Avenue Capital reinforces confidence in our franchise. On behalf of the Board and management team, I thank our lenders, investors, employees and new shareholders for their trust and support. We remain committed to disciplined growth and long-term value creation."

About Asset Reconstruction Company (India) Limited - ARCIL

Asset Reconstruction Company (India) Limited ("ARCIL") is an asset reconstruction company operating across India, engaged in acquiring stressed assets from banks and financial institutions and implementing resolution strategies to maximize recovery and optimize the value of those assets.

ARCIL was incorporated in 2002 and received RBI registration to commence securitisation and asset reconstruction business on 29 August 2003 under the SARFAESI Act. It completed its first stressed-asset acquisition in December 2003 and has therefore operated for more than two decades. The Company operate across three business verticals - Corporate loans, SME and Other loans and Retail loans and classify the stressed assets that they acquire based on the resolution mechanism they employ which are subject to their internal assessments. They bid for stressed assets and deploy a mix of resolution and collection strategies, based on the nature of the underlying loan portfolio or the single credit stressed asset.

Safe Harbor

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors

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